

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of the County of Los  
Angeles for Rehearing of Resolution  
E-3757

A.02-04-002  
(Filed April 10, 2002)

**ORDER MODIFYING RESOLUTION E-3757 AND DENYING  
REHEARING OF THE RESOLUTION AS MODIFIED**

**I. SUMMARY**

By this order, we modify Resolution E-3757 (the Resolution) and deny rehearing of the Resolution as modified. On April 30, 2001, Southern California Edison Company (Edison) filed Advice Letter 1539-E, Pacific Gas and Electric Company (PG&E) filed Advice Letter 2134-E on July 10, 2001, and San Diego Gas and Electric Company (SDG&E) filed Advice Letter 1354-E on August 1, 2001. These Advice Letters requested that customers who request and receive undergrounding of overhead electric service under Tariff Rule 20-B to pay separately for removing old overhead facilities including poles, wires, transformers, and switches. From 1968 to 1995 for PG&E and SDG&E and 1999 for Edison, the utilities had paid for the removal of overhead poles and facilities. However, in the last several years, all three utilities have changed their internal policies and required applicants to pay for the removal of the poles and facilities. These changes were made without prior Commission authority. However, in Decision 01-03-051, we ordered Edison to refund to Barratt American \$33,700 that

Barratt had paid to Edison to remove poles and facilities pursuant to that company's revised payment procedures.

The Advice Letters jointly requested treatment opposite to the Barratt decision, namely to authorize utility charges for facilities removal in Rule 20-B conversions. In the Resolution, we denied the authority requested by the utilities to have applicants for Tariff Rule 20-B undergrounding projects pay for removal of poles and facilities and ordered the utilities to charge pole removal costs to their underground conversion allocations, and further ordered the utilities to identify and repay previous applicants for all such charges with interest to-date.

## **II. DISCUSSION**

In its Application for Rehearing of the Resolution, the County of Los Angeles (the County) seeks rehearing only of the Commission's holding that the costs for removal of overhead facilities should be charged to the utilities' underground conversion program budgeted allocations. The County's argument is that since the only existing undergrounding allocations pertain exclusively to Rule 20-A conversions, the impact of the Resolution is to require that Rule 20-A allocations will pay for Rule 20-B projects. The County argues that this result is arbitrary and capricious since it changes established policy and practice under Rule 20-A without any stated basis for doing so and without notice to the parties that such was contemplated.

Local governments use Rule 20-A for underground conversion of electric facilities along public streets and roads; other conversions, including those by private developers are governed by Rule 20-B. However, as Applicants point out, the only existing undergrounding allocation funds relate exclusively to Rule 20-A projects. There are no funds allocated to Rule 20-B undergrounding projects. As the County argues, the Resolution could be interpreted, although incorrectly, to require Rule 20-A allocations to pay for Rule 20-B projects (Application, page 1.) In fact, this is the way both Edison and PG&E have interpreted the Resolution in their Advice Letters 2217-E and 1610-E, respectively, filed April 5, 2002. In contrast, SDG&E, in its Advice Letter 1399-E, filed

April 5, 2002, clearly understood the intent of the Resolution, stating that the removal of all overhead facilities shall be completed by the utility at its expense.

It was our intent in the Resolution that the three electric utilities should revert to the same number of accounting for undergrounding projects that they had used prior to 1995 for PG&E and SDG&E and 1999 for Edison, when they sought to change their practices by requiring the applicants to pay for pole and facility removal costs. It was certainly not our intent to change the previous methodology in a way that would reduce Rule 20-A allocations. We will therefore modify the Resolution accordingly.

**THEREFORE IT IS ORDERED** that:

1. Resolution E-3757 is modified as follows:

At page 10 of the Resolution, Finding 2 should be modified as follows:

Replace the words “underground conversion allocation” with the word “utility.” Add the sentence “However, such costs shall not operate to reduce Rule 20-A allocations.”

At page 11, Ordering Paragraph 2, should be modified as follows:

The phrase “from the underground conversion allocation” should be deleted.  
Add the sentence, “However, such payment shall not operate to reduce Rule to subsidize rule 20-A allocations.”

2. Rehearing of Resolution E-3757 as modified is denied.
3. This proceeding is closed.

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This order is effective today.

Dated June 6, 2002, at San Francisco, California.

LORETTA M. LYNCH

President

HENRY DUQUE

CARL W. WOOD

GEOFFREY F. BROWN

MICHAEL R. PEEVEY

Commissioners